



NEW ZEALAND INTERNATIONAL STUDENTS' ASSOCIATION

MEDIA RELEASE

Cash cows become sacrificial lambs

Institutions' decision to drastically increase international tuition fees to make up for revenue loss a deeply misguided solution.

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The New Zealand International Students' Association (NZISA) has received troubling reports regarding institutions' plans to drastically increase 2021 international student fees to make up for their loss in revenue. NZISA strongly urges institutions to reconsider this decision with the input of international student representatives in reflection of the unprecedented impacts of COVID-19 on international students and the export education sector. NZISA further recommends institutions show their dedication to international

students by implementing a 1.1% capped increase on international tuition fees. To continue with a drastic fees increase is to ignore the financial hardship faced by international students as a result of the pandemic, perpetuate an unsustainable system which exploits international students, and deter prospective international students from seeking a New Zealand international education.

The pandemic has sent shockwaves through the export education sector and has once again highlighted institutions' unsustainable funding models, which heavily rely on international students for profit. The border closures announced by the New Zealand Government in March have prevented the entry of international students to New Zealand, resulting in a \$200 million revenue loss for universities, in addition to staff cuts and redundancies¹. International students in New Zealand have also been deeply affected by the pandemic, with many of them losing jobs and facing financial hardship due to changes in their financial situation. In response, the Ministry of Education released an International Education Strategic Recovery Plan², acknowledging the hardships faced by institutions and international students, and setting a trajectory for the recovery of the sector.

Despite these shocks to the sector, some institutions are still persistent on driving their income through tuition fees increment and are using international students as sacrificial lambs to claw their way towards recovery. NZISA has long been raising the issue of institutions' unsustainable financial practices, and maintains the need for reforms to create a more sustainable sector; one that focuses on delivering a quality education and

¹ [Cash-strapped education sector facing widespread job losses \(John Gerritsen, 2020\).](#)

² [Cabinet paper: A Strategic Recovery Plan for the International Education Sector \(Ministry of Education, 2020\).](#)

an excellent international student experience. In May, institutions made public their initial intentions to profit off New Zealand's reputation for managing COVID-19 impacts and flattening the curve of infection. NZISA condemned these plans in a press release³ and noted the root cause of the issues plaguing the sector being unsustainable financial practices. For institutions to now take advantage of international students already in New Zealand by raising international student fees is to ignore the international student voice and the concerns of international students, and this encourages the exploitation of international students.

Institutions must contend with the indirect impacts of their decision to raise international student fees. The continual focus on revenue over international students' needs and experience will only result in losing international students to other international education competitors in other parts of the world. With New Zealand's borders remaining closed to international students, aside from 250 PhD and postgraduate international students, international students will gravitate towards other competitor destinations for international education – Australia has launched a pilot programme to bring international students into the country, and Canada has announced the opening of its borders to international students. International students can and will seek an international education elsewhere if institutions in New Zealand fail to acknowledge the international student voice and deliver on international student satisfaction and experience.

NZISA strongly affirms that raising international student fees to make up for revenue losses is not a sustainable solution for the sector. We recommend a strong commitment

³ [The hypocrisy of New Zealand universities capitalising on COVID-19 \(NZISA, 2020\).](#)

from tertiary institutions to decide on the same rate of increase for both domestic and international students. The Minister of Education confirmed on 19 September 2020 that the Annual Maximum Fee Movement rate for domestic student tuition fees will be set at 1.1% for 2021. This is in line with forecast inflation for 2021 and the impacts of COVID-19. NZISA is supported by our member student associations in the decision to recommend a 1.1% cap on the increase on 2021 tuition fees for all students in tertiary institutions. This recommendation is an approach to prevent any further exploitation of international students through financial avenues and incorporates the priorities of the Ministry of Education's International Education Strategic Recovery Plan.

NZISA further recommends that institutions reassess the decision to increase international tuition fees with the input of international student representatives. We recognise that the Auckland University of Technology (AUT) has decided on the same rate across all students for 2021 tuition fees after consulting with their students' association, including NZISA Representative Council member and AUT Students' Association (AUTSA) International Officer, Prayag Shethia. We applaud AUT and AUTSA's efforts to act in the best interests of their international students and for listening to the international student voice.

NZISA acknowledges the financial hardship institutions are facing; however, the decision to increase 2021 international student fees at a high rate will only result in further losses to the sector. New Zealand's international education reputation is at risk as we see a rise in global competition to attract international students in a COVID-19 world. NZISA reaffirms that institutions should reflect on the priorities of the International Education

Strategic Recovery Plan in focusing on enhancing quality of education and moving towards more sustainable financial practices.

International students are continually investing in New Zealand and have continually been disappointed by the poor response to their needs. In order to move forward as a sector, institutions and the export education sector as a whole must show their dedication and commitment to international students by considering what is best for them in the COVID-19 global environment. Failure to reassess the decision to raise international fees will cause damage New Zealand's international education reputation. If institutions hope to see a new dawn for the export education sector, they must seriously consider how their decisions will shape the sector for years to come.

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